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DE RUEHSG #0726/01 2111940 ZNR UUUUU ZZH R 301940Z JUL 09 FM AMEMBASSY SANTIAGO TO RUEHC/SECSTATE WASHDC 5293 INFO RUEHAC/AMEMBASSY ASUNCION 4097 RUEHBO/AMEMBASSY BOGOTA 2505 RUEHBU/AMEMBASSY BUENOS AIRES 1607 RUEHBR/AMEMBASSY BRASILIA 1027 RUEHCV/AMEMBASSY CARACAS 2192 RUEHPE/AMEMBASSY LIMA 6309 RUEHMN/AMEMBASSY MONTEVIDEO 4507 RUEHQT/AMEMBASSY QUITO 2522 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RUEATRS/DEPT OF TREASURY WASHDC RUCPDOC/DEPT OF COMMERCE WASHDC

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STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: KMDR KPAO PGOV ECON PREL SNAR EFIN CI SUBJECT: CHILE MEDIA REPORT - JULY 30

Lead Story

11. The Digital Country Foundation, the Ministry of Education and U.S.-based cable company VTR launched the free on-line computer program "Mingoville," which has proven to be a successful tool in other parts of the world to teach English to school children. The game is part of the government's "Chile Speaks English," that has been described as a "crusade to make this a bilingual country" (El Mercurio, conservative, influential newspaper-of-record, 7/30).

U.S.-Related News

 $frac{1}{2} ext{.}$ Arturo Valenzuela will face four major challenges in the region. First there is Honduras, where nothing has persuaded Micheletti into allowing Zelaya's return, plus critics of Obama argue that the USG position in this crisis is too closely aligned with the OAS and the bloc led by Hugo Chavez. Then there is Venezuela, which is likely to continue attacking the United States as the Republican Party objects to every attempt of the Obama administration to improve its relations with Caracas. Third is Cuba, where the United States does not have many choices left to prompt a change in Cuba, except for small gestures. Fourth is Mexico, where drug cartels are showing increasing resistance. The problem affects an array of USG agencies and the United States will have to decide how much it wants to get involved. Too much might hurt Mexican sensitivities and too little might not guarantee success (La Tercera, conservative, independent, 7/30).

Energy

13. A report issued by the Inter-American Development Bank (IDB) published by the National Energy Commission says Chile has a "unique potential to generate" tidal energy. "Capturing just 10%" of sea tides could produce more energy than Chile's Central Interconnected System, says the document, which lists Ventanas and San Antonio (Valparaiso Region), San Vicente and Coronel (Biobio Region), Corral and Puerto Montt (Los Lagos Region) as the best locations to capture tidal energy. "Chile could benefit from an active and early participation and even play a leading international role" in this area, says the document (La Nacion, government-owned, 7/30).

U.S.-China

14. Editorial: "Chinese and U.S. delegations met in Washington this week for the first Strategic and Economic Dialogue between the two nations of the Obama administration.... Cooperation between the

United States and China is essential for global and political stability.... On Monday, President Obama made a positive remark, stating that 'the search for power among nations should no longer be viewed as a zero-sum game.' His remarks do not elude the fact that there is a wide area for competition between China and the United States... but they also reflect Washington's growing acceptance of Beijing's unquestionable ascent in the global scenario" (La Tercera, conservative, independent 7/30).

Indigenous Mapuche Conflict

15. The government will apply the State Security Law to the indigenous Mapuche conflict in southern Chile. The decision was prompted by the unprecedented ambush of an inter-urban bus in Temuco on Tuesday at gunpoint. Sixteen private estates in the area have permanent police protection to discourage attempts to occupy land or to destroy property. Yesterday, an anti-indigenous vigilante group issued a warning that it would use explosives against Mapuche leaders. The governor of Cautin, Christian Dulanksy, condemned the announcement saying the government "considers the use of violence unacceptable, regardless of from where it stems" (La Tercera, 7/30).

Human Rights

16. In spite of the opposition from the Association of Families of Detained and Disappeared (AFDD), the Chamber of Deputies passed the bill that creates the Human Rights Institute. The AFDD argues that the bill that creates the institute protects individuals responsible for human rights violations. Some time ago the government filed a request to amend the Penal Code so that there would be no amnesty or statute of limitation on crimes against humanity. To pass yesterday's bill, it had to give that request the status of "urgent" (El Mercurio, 7/30).

SIMONS